World Production and Trade

United States Department of Agriculture
Foreign Agricultural Service
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Weekly Roundup
WR 46-84
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The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade:

TRADE NOTES

The EUROPEAN COMMUNITY (EC) has asked the General Agreement on Tariffs and Trade (GATT) Subsidies Code and Anti-Dumping Code Committees for special meetings to consider the conformity of the new U.S. definition of the wine industry under U.S. countervailing duty and anti-dumping laws which were amended by the recently enacted Omnibus Trade Bill. Under this legislation, for a two-year period, U.S. growers of grapes for wine are to be considered part of the domestic wine industry for the purpose of countervailing duty and anti-dumping investigations by the International Trade Commission. The EC claims that extending the definition for this purpose to include grape growers is contrary to the provisions of the GATT Subsidies and Anti-Dumping Codes. No dates have been set for the special sessions of the two code committees.

OILSEEDS AND PRODUCTS

USDA's Export Sales Report of November 8 showed a 5,000-ton sale and export of soybean oil to CHINA. This is the first U.S. oil sale to China since 1981. Although the amount is small, this Chinese purchase is significant and reflects continuing tightness in world vegetable oil supplies and the current competitiveness of U.S. soybean oil.

DAIRY, LIVESTOCK AND POULTRY

Total poultry meat production in JAPAN is expected to reach 1.33 million tons in 1984, 4.4 percent above the 1983 level, according to the U.S. agricultural counselor in Tokyo. Most of the increase is due to larger broiler marketings, up 5 percent for the January-August period. Heavier weights are also contributing to the increase. Broilers are being fed to heavier weights because the further processing industry prefers larger birds, and stable feed prices have given producers the incentive to feed to heavier weights.

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CHINA's next five-year plan (1986-90) will emphasize livestock and poultry production, according to the U.S. agricultural counselor in Beijing. The impetus to develop the livestock industry is coming from both consumers, who want more meat, milk and eggs, and from government planners, who see it as the logical way to dispose of localized surpluses of grain. Full details of the new five-year plan have not been announced, but longer range targets call for tenand twentyfold production increases for some livestock products by the year 2000. Two strategies for pursuing those goals are: improve both the quantity and quality of herds and flocks, with particular emphasis given to introducing improved genetics, and develop the feed industry by expanding milling capability and overall feed availability and by using more additives and pre-mixes.

For the feed industry, published Chinese plans indicate investment of $300 million over the next six years to increase processing capacity from the current 8 million tons per year to 50 million tons in 1990 and to lay the basis for expansion to 100 million tons by the year 2000. Current demand for feed is reportedly 60 million tons, with most of it fed directly or only partly processed.

VEGETABLES

The flow of potatoes into the United States from the eastern provinces of CANADA, particularly Quebec, has been exceptionally heavy in recent weeks. As a result, the U.S. import quota for table stock potatoes, 45 million pounds, was filled during the week ending November 2. This was one of the earliest closings on record.

Any table stock potatoes imported for the balance of the quota year, which ends on Sept. 14, 1985, will be assessed an overquota rate of 50 cents per hundredweight through the remainder of 1984 and 45 cents per hundredweight for the applicable months of 1985. The pre-Multilateral Trade Negotiations duties of 37 1/2 cents per hundredweight for within-quota imports and 75 cents per hundredweight for overquota imports are in the stages of transition to the final rate, 35 cents per hundredweight, which is to become effective on Jan. 1, 1987. The tariff rate quotas for both table and seed stock potatoes will also terminate on that date. These changes are the result of a concession granted by the United States in the Tokyo Round of the Multilateral Trade Negotiations. Canada is virtually the sole beneficiary of this concession.

WOOD AND WOOD PRODUCTS

The U.S. agricultural attache in Santiago reports CHILE's 1984 roundwood production is projected to be 11.2 million cubic meters (CUM), a 9-percent increase from 1983. Radiata pine is the most important timber species in Chile, accounting for 80 percent of roundwood production and 88 percent of annual reforestation. Approximately 80,000 hectares are projected to be reforested in 1984. Future plantings beyond 1984 are expected to decline as Chile places greater emphasis on investment in the wood processing sector.

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Total roundwood consumption in the sawmilling industry is forecast to increase 20 percent in 1984. Domestic consumption of softwood lumber is estimated to increase 10 percent over 1983 levels, totaling 750,000 CUM. Chile's 1984 forecast roundwood consumption by industry is as follows in 1,000 CUM:

Pulp and paper	4,200
Sawmilling	3,900
Non-industrial	1,700
Panels and miscellaneous	400
Total	10,200

Chile's softwood lumber exports are projected to increase 22 percent over 1983 levels, totaling 900,000 CUM. Major export markets for Chilean softwood lumber include Egypt and Argentina, which together took about 45 percent of Chile's lumber exports during the first six months of 1984. Log exports from Chile are expected to drop 2 percent to 1 million CUM in 1984. South Korea, Japan and China were Chile's major customers for softwood logs, accounting for 95 percent of export shipments during January-June 1984. Chile's production, exports and domestic consumption of wood products are as follows in 1,000 CUM:

	1982	1983	1984 1/
Roundwood			
Production	8,363	10,272	11,200
Exports	892	1,026	1,000
Domestic consumption	7,471	9,276	10,200
Softwood Logs			
Production	3,210	4,223	4,700
Exports	888	1,023	1,000
Domestic consumption	2,322	3,200	3,700
Softwood Lumber			
Production	1,013	1,423	1,650
Exports	605	739	900
Domestic consumption	500	680	750

1/ Preliminary.

Selected International Prices

Item	Nov. 14, 1984		Change from previous week	A year ago
ROTTERDAM PRICES 1/	$ per MT	$ per bu.	$ per MT	$ per MT
Wheat:				
Canadian No. 1 CWRS-13.5%.	189.00	5.14	-1.00	203.00
U.S. No. 2 DNS/NS: 14%....	175.50	4.78	+1.50	187.50
U.S. No. 2 S.R.W.	160.50	4.39	-4.00	156.50
U.S. No. 3 H.A.D..........	191.00	5.20	+1.00	208.00
Canadian No. 1 A: Durum...	206.00	5.61	0	212.00
Feed grains:				
U.S. No. 3 Yellow Corn....	134.25	3.41	+.75	161.00
Soybeans and meal:				
U.S. No. 2 Yellow.........	254.05	6.91	+2.75	327.50
Brazil 47/48% SoyaPellets 4/	185.00	--	-1.50	291.00
U.S. 44% Soybean Meal....	168.00	--	+2.00	266.00
U.S. FARM PRICES 3/				
Wheat.....................	127.12	3.46	0	128.22
Barley....................	83.13	1.81	+2.76	102.42
Corn......................	102.76	2.61	+.39	129.92
Sorghum...................	88.62	4.02 6/	-.22	109.79
Broilers 4/...............	1183.43	--	+59.08	1261.69
EC IMPORT LEVIES				
Wheat 5/..................	49.55	1.35	-.40	75.50
Barley....................	57.65	1.26	+1.70	50.20
Corn......................	54.25	1.38	+.40	41.90
Sorghum...................	66.65	1.69	-2.45	58.00
Broilers 4/ 6/ 8/.........	167.00	--	-1.00	249.00
EC INTERVENTION PRICES 7/				
Common wheat(feed quality)	145.80	3.97	+1.10	170.00
Bread wheat (min. quality)7/	155.50	4.23	+1.75	186.30
Barley and all other feed grains.......	145.80	--	+1.10	170.00
Broilers 4/ 6/............	1117.00	--	+74.00	1142.00
EC EXPORT RESTITUTIONS (subsidies)				
Wheat	11.45	.31	--	39.90
Barley....................	26.70	.58	--	25.45
Broilers 4/ 6/ 8/.........	98.00	--	-1.00	170.00

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Hundredweight (CWT). 3/ Twelve-city average, wholesale weighted average. 4/ EC category--70 percent whole chicken. 5/ Reflects lower EC export subsidy--down to 20.00 ECU/100 bag effective 9/14/83 from 22.50 ECU/100 bag set in 2/83. 6/ F.o.b. price for R.T.C. broilers at West German border. 7/ Reference price. 8/ Reflects change in level set by EC. N.A.=None authorized. N.Q.=Not quoted. Note: Basis December delivery.

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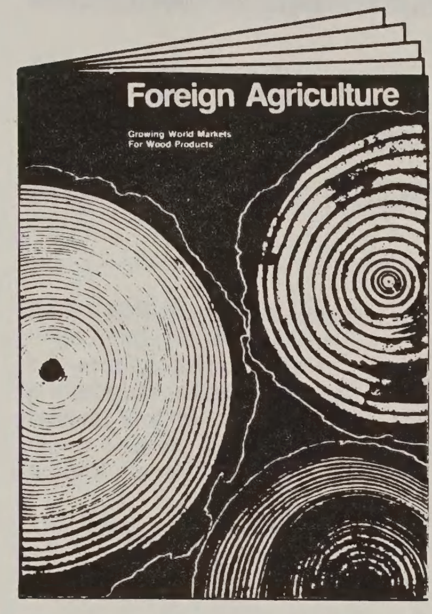

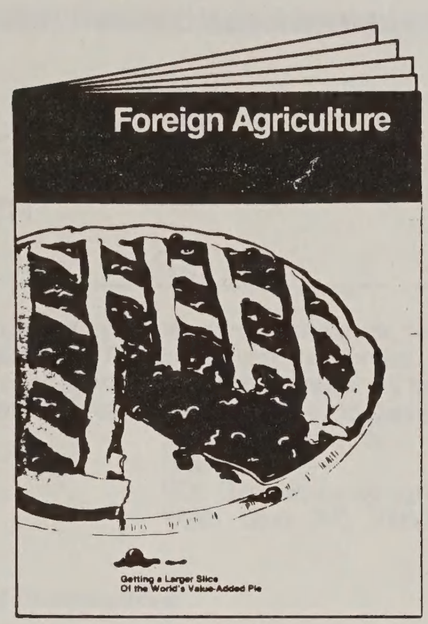

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